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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D.C. 20505

National Intelligence Council

DDI #942-82

3 February 1982

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

FROM : National Intelligence Officer for Near East-South Asia

SUBJECT : February 4 NSC Meeting on Libya

1. Attached is the discussion paper on Libya for the NSC meeting of 4 February. As indicated in previous memorandum, it includes the following:

- a. An essentially accurate description of the current state of play of Libyan subversion and support for terrorism, concluding that it has not diminished since December.
- b. A recommendation for the revalidation of contingency military planning, focusing on the assassination threat.
- c. A recommendation to proceed with economic measures without awaiting further provocation. Specifically:
 - An embargo of imports of Libyan oil.
 - An embargo of exports to Libya, whether total or selective.

2. The discussion accurately states that the economic measures will not have a serious impact in and of themselves, and would be symbolic in impact only. The proposal is framed in a manner which would minimize the need for participation by our allies, although problems remain with whether or not extraterritorial application of the embargo should be attempted.

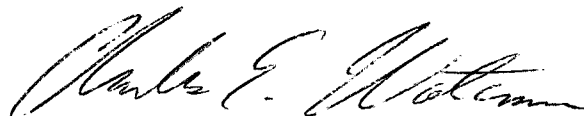
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3. The question remains open on whether or not a legal basis for implementation of the International Economic Emergency Powers Act (IEEPA) exists. A case is made in the paper that use of IEEPA is feasible, and states that a draft Executive Order to that effect has been prepared. We have supplied Treasury with a set of documents on Libyan activity which they will utilize to make a determination if invocation of these powers does have a legal basis or not. Presumably, their viewpoint will be aired at the NSC meeting.

4. A check sheet is included in the paper on pages 20 and 21, which lists the options and requests an approval or disapproval.

5. I believe the pluses and minuses of the imposition of these economic sanctions without further clear Libyan provocation have been fully outlined in memoranda during the past several days. My personal recommendation remains that the imposition of measures without serious impact, especially at a time when we are engaged in similar actions regarding Poland and the Soviet Union, gains us little. As you are aware, the DDI, C/NE/DDO, and D/NESA/DDI feel a petroleum boycott is warranted as stated in the ~~report~~ NSC paper.


Charles E. Waterman

Attachment
TS 820196

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